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No. 38

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CONTENTS

VARIOUS SOVIET AID PROJECTS DETAILED

Moscow FOREIGN TRADE in English No 6 Jun 82 pp 14-19

[Article by Ivan Kapranov, head of the Planning and Economic Department, State Committee for Foreign Economic Relations]

[Text] The Soviet Union in 1981, the first year of the 11th Five-Year Plan Period rendered economic and technical assistance to 70 foreign countries in constructing industrial enterprises, transport, agricultural and other projects as well as in conducting geological explorations. In 1981 the complete equipment export amounted to over 2,500 million rubles. During the year 122 projects were put into operation and at 41 projects separate workshops and installations producing finished products began to function.

The tasks set by the 26th CPSU Congress—the all-round development of the USSR trade, economic, scientific and technical ties with the fraternal countries, the active participation of the Soviet Union in the socialist economic integration, the constant realization of long-term specific programmes for cooperation—were accomplished in cooperation with the *socialist countries*.

Last year with Soviet organizations' assistance 20 projects—workshops and separate installations were put into operation in *Bulgaria*. The most important of them are: the Elatsite ore-dressing complex (capacity 10 million tons of copper ore annually) is one of the largest projects of Bulgaria's nonferrous metallurgy raw material base and a reliable foundation for further increasing copper production in the country; the fourth power block (capacity 210 MW) was installed at the Maritsa-Vostok III thermal power station as a result of which the total capacity of this power station reached 840 MW. The thermal power station operates on a direct burning lignite system. Successful operation of all four power blocks at this lignite thermal power station

is a great victory of Soviet and Bulgarian power engineers. A paper-making factory in the town of Kostenets, a house-building complex in Pleven, a workshop for producing sulphuric acid at the Damyanov copper-smelting factory in Srednegorie, a number of workshops at metallurgical complexes (in Kremikovtsi and Pernik), new capacities at the tyre factory in Vidin, a factory of rubber mechanical products in Pazardzhik, etc. were put into operation. The enterprises constructed with Soviet assistance provide 65 per cent of Bulgaria's industrial production according to Bulgarian experts.

Complete equipment was supplied in great volumes for expanding the Kozloduy atomic power station from 880 up to 1,760 MW (this year the second stage of this station is planned to be put in operation), for the Asarel copper-dressing complex, the Zdravets coal mine, for reconstructing a pulp-and-paper complex in Miziya and two paper-making machines at a similar complex in Silistra, for reconstructing and extending separate workshops at a chemical complex in Dimitrovgrad, for the underground railway in Sofia, for several house-building complexes and other projects. Assembled tractor units and components for the tractor factory in the town of Karlovo were delivered. Geological explorations for oil and gas were conducted on the Black Sea shelf and oil production equipment supplied for operating drilling rigs and developing the Dolna Lukovit oil-field.

With Soviet organizations' assistance the Paks atomic power station (capacity 1,760 MW) is being constructed and the Danube metallurgical complex reconstructed in *Hungary*. In 1981 the first 130 ton capacity converter was put into operation at this complex and the Markushegy and Nagyegykaz coal mines opened (initially extracting 600 thousand tons of coal each annually). A Palace of Sports housing 12.5 thousand people in Budapest is under construction. The reconstruction of a large-panel house-building factory in Szeged was completed as was the geological exploration for coal and bauxite fields in the Tatabanya region.

In *Vietnam* at the Phu Ly thermal power station the assembly of the first two power blocks is being carried out (the first power block is to be operational this year). The construction of the Hoa Binh water engineering system on the river Black (Da) with a hydro-power station (capacity 1,920 MW) is in progress; preparatory work of damming the river in

the late 1982-early 1983 is being carried out. Reconstruction of the main projects of the Tin Tuk tin pit for recovering and processing 555 thousand cu.m. of ore per year was completed. The first stage of a cement factory in Binh Son (capacity 600 thousand tons of cement annually) and wharf No. 3 in port Haiphong were put into operation. Equipment for the Hanoi-Ho Chi Minh railway was supplied. Complete equipment was delivered for several large coal mines and open-cast mines, the Lao-Kai apatite mine, a superphosphate factory in Lamthao, electromechanical repair shops, diesel motor factories, factories producing galvanic cells and factories repairing lorries as well as for other projects.

With Soviet specialists' assistance the Thanhlong bridge across the river Red is being built and the Hanoi railway junction reconstructed on a gratuitous basis. Work, within the framework of the joint Soviet-Vietnamese undertaking, for conducting geological exploration for oil and gas on the continental shelf in the south of Vietnam has begun. Cooperation on a compensation basis in creating hevea and medicinal herb plantations successfully progressed. State farms for growing cotton plants were supplied with equipment, and tea-processing and packing factories built.

In the *GDR* the first power block (capacity 500 MW) was put into operation at the Jänschwalde thermal power station. The third stage (capacity 880 MW) of another power giant—the Nord atomic power station—is being constructed. Installations for natural gas high-temperature conversion at the Schwarze Pumpe complex, production lines for manufacturing span panels in the towns of Suhl and Brandenburg, production lines for manufacturing sanitary cabins in Vogelsdorf and Schwerin as well as other projects were put into operation. Cooperation in exploration for oil and gas and solid minerals continued.

Soviet complete equipment was delivered to the *Republic of Cuba* for 89 projects. The Rente thermal power station is being expanded from 300 up to 500 MW and the Mariel thermal power station—by 100 MW (power unit No. 8). Great volumes of equipment were supplied for the Havana thermal power station (capacity 500 MW) and the electric power transmission lines, which have total length of more than 1,200 kilometres. Central workshops for repairing thermal power station equipment and transformers were under construction in Havana. Preparatory work for the construction of the Juragua atomic

power station began. The second stage of expanding the output of the José Marti metallurgical enterprise up to 350 thousand tons of steel and 300 thousand tons of rolled metal per year is nearing completion. In the Holguin province preparatory work for constructing a new metallurgical complex with an output of 1.3 million tons of steel per year is being carried out. Work on the construction of a nickel factory in Punta Gorda (capacity 30 thousand tons of nickel and cobalt annually in terms of metal) was carried out.

Major cooperation projects in the petroleum refining industry were the following: a lubricating material complex and the Hermanos Dias petroleum refining factory in Santiago de Cuba, a new petroleum refining factory in Cienfuegos and mooring berths with facilities for receiving oil and dispatching petroleum products. USSR assistance in developing the machine-building industry is of great importance for the country's economy. Last year a boiler workshop in Sagua la Grande and a tandem workshop at the Planta Mecanica engineering works in Santa Clara were put into operation and the expansion of the Tasia engineering works completed. Vehicle repair workshops and radio and TV factories are under construction in Havana.

With Soviet organizations' assistance a textile complex in Santiago de Cuba and the Balance cotton spinning mill in Havana are being constructed. The Soviet Union for over 20 years has been assisting the Republic of Cuba to develop its most important economic sector—the sugar industry. Its share is up to 80 per cent of the country's export. New sugar refineries are being built and those existing reconstructed. Assistance was rendered in developing railroad transport which included deliveries of diesel-electric locomotives, rails and other equipment. Eighty kilometres of the main line of the central Havana-Santiago de Cuba rail road has been opened for traffic. Thus, by the end of last year, 660 kilometres out of 873 were reconstructed. A rail welding shop and a factory for producing concrete sleepers were under construction. In the Havana port four wharfs were modernized. Here also a container terminal and a port facilities repair depot were under construction. A wide prospecting-exploration programme for various types of solid minerals as well as oil and gas was conducted. Equipment for 110 educational centres was deliveder, 22 of which were opened.

In *Mongolia* 56 projects were commissioned in 1981. Among them: the third and the fourth stages of the Erdenet ore-dressing complex, total capacity eight million tons of copper-molybdenum ore per year; a carpet factory and food-producing complex in Erdenet; a spinning mill, a car repair and a servicing station and soap works in Ulan-Bator; the Altai-Ulgi radio relay link, radio stations in Muren and Choybalsan, a brickyard in Khovdo; three farms for the comprehensive development of 70-80 thousand hectares of virgin and two thousand hectares of irrigated lands, the Baganur open-cast coal mine extraction capacities of 400 thousand tons of coal annually; the Ulan Bator—Darhan and Erdenet-Bulgan high-voltage power transmission lines; 62 thousand square metres of dwelling space with cultural and welfare facilities, etc.

Great volumes of complete equipment were supplied for the country's largest construction project —the capital's thermal power station No. 4 (capacity 380 thousand kW), for a fluorspar mine, open-cast mines, a cement-lime factory, a knitting mill in Ulan Bator, for various livestock and grain farms and also that for conducting geological explorations. In 1981 Soviet complete equipment was delivered to 147 projects in all sectors of Mongolia's national economy.

In *Poland* two steam generators (capacity 650 tons of steam per hour each) were put into operation at the Polanec thermal power station. At the Sechnice (Wroclaw) and Lodz-Yanow state vegetable growing complexes greenhouses of area six hectares each were put into use. Deliveries for a reinforced pressure pipe factory in the town of Ostrow Wielkopolski were completed. Equipment for the Katowice metallurgical complex and for the gas industry was supplied as well as assemblies and components for colour TV sets production at the Warsaw factory. Geological exploration for solid minerals and also sea geodetic researches on the Baltic Sea shelf were conducted.

In *Romania* a tube-rolling works (capacity 300 thousand tons annually) at an iron-and-steel plant in Zalau, a complex for producing multilayer cardboard at the Bistrita paper making factory (Prundu-Burgaului), a short-wave radio station in Bucharest and a mechanized gravity hump at the Craïova railway station were put into operation. A caustic soda factory in Giurgiu is to be commissioned. Equipment for a complex producing multilayer cardboard in Palas-Constanta was supplied. Equipment for the

Galati thermal power station, the Iron Gates-II hydro-electric power station, a "1400" five-stand tandem cold rolling mill at the metallurgical complex in Galati, a tube-welding mill at a stell-and-iron plant in Zimnicea and a pulp-and-paper complex in Braila as well as equipment for mechanizing humps at the Sokola and Ghigheu railway stations was delivered.

Considering the role of atomic power engineering in solving the problems of *Czechoslovakia's* fuel-power complex special stress is placed on the development of the two countries' cooperation in this field. Last year the construction of two atomic power stations—Bohunice V-2 (capacity 880 thousand kW) and Dukovany (capacity 1,760 thousand kW) was continued.

In 1981 Czechoslovakia's industry mastered the production of equipment for the VVER-440 reactor installation and delivered first set of such equipment for the block No. 1 of the Paks atomic power station (Hungary). Two reactor bodies for the Paks-2 and Bohunice V-2 atomic power stations were manufactured and dispatched.

Last year a pulp-and-paper complex in Ruzomberok (capacity 200 thousand tons of unbleached sulphate pulp) was put into operation and the construction of a complex for producing technical carbon in Valasske Mezirzici was almost completed. The construction of an underground railway in Prague and a pulp-and-paper complex in Paskov was continued; assistance in developing the coal industry and conducting geological explorations for solid minerals was rendered.

In *Laos* complete equipment was supplied: for the state tin mining enterprise in the Nam Paten area, a medium-wave radio station in the Vientiane region, a hospital, a polytechnic school for training power engineers and geologists in Vientiane, for fitting-out three vocational schools, five road-building teams, stone quarries, and also for constructing two bridges and the Latsen stock breeding state farm. Deliveries of equipment for an agricultural technical facility repair shop were completed. Prospecting equipment for pump houses and irrigation systems has been supplied.

In *Yugoslavia* a continuous casting section consisting of three continuous billet casting mills with 850 thousand tons of cast slabs total capacity per year at a metallurgical complex in Skopje and car battery factory in Srebrenica (on compensation basis) were commissioned as well as a cast radiator factory in Zrenjanin, the first block (capacity 135

MW) of the Novi Sad heat-and-electric power station, separate workshops at an aluminium complex in Titograd were put into operation, ore-dressing plants at three mines producing lead-zinc ore were expanded. Equipment was delivered for the Bitola-II and Ugljevik thermal power stations, a metallurgical complex in Smederevo, the Titovi Rudnici mine, a mine and the Glagovac nickel factory, the Vares ore-dressing enterprise (capacity 300 thousand tons of lead-zinc ore per year), oil-refining factories in Pancevo and Skopje, a large-panel house-building factory in Titograd and other projects. Large contracts on expanding the Zenica metallurgical complex and constructing the Bitola-III thermal power station were concluded. Contracts on a compensation basis were signed between the Soviet Foreign Trade Association Selkhozpromexport and Yugoslavia's leading agricultural-industrial complexes Belgrad and Danube-Tissa-Danube. Yugoslavia in exchange for deliveries of Soviet equipment for land reclamation, irrigation and other work will supply the Soviet Union with foodstuffs, animal farming products, seedlings, seeds of grain and other plants as well as consumer goods for a very long time.

The Korean People's Democratic Republic has received equipment for the Chongjin heat-and-electric plant (capacity 150 MW) and the Pukch'ong thermal power station (the capacity expansion from 1,200 up to 1,600 MW). Deliveries for the Yenkhyn open-cast mine (output 1.5 million tons per year) were completed. Construction of a cold rolling workshop at the Kim Ch'aek iron-and-steel works, a car battery factory and an ammonia factory is near completion. A microelectric motor factory and a bearing factory were under construction.

The Guidelines for the Economic and Social Development of the USSR for 1981-1985 and the Period Ending in 1990 adopted by the 26th CPSU Congress envisage the development of the mutually beneficial goods exchange, the Soviet Union's all-round economic, scientific and technical and other ties with the *developing countries* on a long-term and equitable basis and further rendering these countries economic and technical assistance in constructing industrial enterprises, power, agricultural and other projects, promoting the strengthening of their economic and political independence.

In 1981 assistance was rendered to *Afghanistan* in constructing 56 projects and putting 50 projects, previously built, into operation. Last year the enterprises constructed with Soviet assistance produced

about 70 per cent of the state sector's factory products; more than 40 per cent of the country's budget income was obtained from its internal sources. They provided 100 per cent of the country's natural gas, nitrogen fertilizers, large-panel house-building items, all fluor and bakery products and sixty per cent of electric energy. During last year alone about three thousand Afghans received vocational technical training with Soviet specialists' assistance.

Last year the following projects were put into permanent operation: the Jarkuduk gas field (capacity 1,500 million cu.m. of gas annually), a gas pipeline-looping on the Afghanistan-USSR cross-country gas pipeline, a bakery in Kabul (productivity 65 tons of loaves, rolls and buns a day), and a number of other projects. Under construction were also such important projects as a motor and railway bridge over the river Amu-Darya and a complex of buildings forming a shipment depot on the Afghan side of it, the Hairaton port (reconstruction), motor transport enterprises and auto service stations, a house-building complex and the Kabul airport (reconstruction), oil tank farms, Intersputnik system space communication stations, a bakery, an elevator and mills in Mazar-i-Sharif and Pul-i-Khumri, a factory for processing olives and citrus in Jelalabad, seven agricultural machine parks (four of them are already functioning). Educational vocational centres were fitted out with equipment and geological explorations undertaken for oil, gas and solid fuel.

The USSR economic and technical cooperation with *India* in 1981 greatly contributed to strengthening India's economic potential and developing the country's state sector. With putting the fifth battery of coke ovens, the fourth blast furnace and a number of other projects into operation last year the capacity of the iron-and-steel plant in Bokaro reached approximately 2.5 million tons of steel per annum (the construction of the first stage of the factory with a capacity of 1.7 million tons of steel per year was completed in 1978). Expansion of the Bhilai steel plant up to four million tons of steel per year will soon be completed. Preparations for constructing the first stage of an iron-and-steel factory in Visakhapatnam were finalized. Cooperation with the Mekon project planning institute in Ranchi, set up with the Soviet assistance and dealing with designing metallurgical enterprises, is expanding. An aluminium factory in Korba (100 thousand tons per year), the firstling of this industry in the state sector, was constructed. The electrolysis, foundry and pipe-

profiling workshops are in operation. A Soviet drilling team continued the contract drilling of a borehole to a planned depth of 5,000 metres in the Tripura state. Equipment for repairing 120 oil boreholes was supplied. A petroleum refining factory in Mathura (capacity six million tons of oil annually) is to be put into operation. On November 2, 1981 the ceremonial opening of a troposphere communication link between the USSR and India was held, during which L.I. Brezhnev and Indira Gandhi exchanged greetings. The line consists of two transceiving stations: one on USSR territory in the Dushanbe area and the other in India near the town of Srinagar.

In *Iraq* construction of the Hadit hydraulic power engineering complex on the river Euphrates, the Tharthar-Tigris canal (65 kilometres long), an intake works on the Euphrates in the Felluja region linking the Felluja-Iskanderia main canal and a feeder—a canal of the Kirkuk-Adhim irrigation system—was continued. A number of projects are being constructed on general contract terms: a large oil tank farm in New Karh, a pump house in Dora (expansion), the Mishahda-Karh petroleum product pipeline, 105 kilometres long, a water-flooding system for the Northern Rumaylah oil-field (was put into operation), and in addition seismic prospecting is being conducted in North Iraq, etc. Three elevators constructed on contract terms were commissioned. A drilling contract that has the aim of developing the Western Kurna oil deposits up to an output of about 30 million tons per year was signed.

In *Iran* the Isfahan iron-and-steel plant is being expanded to produce 1.9 million tons of steel per year. This is the country's only enterprise with a full metallurgical cycle operating to its full rated capacity on local raw material. Construction of coal mines in the Northern and Kerman regions was carried out. Geological explorations for mineral raw materials for assuring the operation of the Isfahan iron-and-steel plant were continued. The Isfahan thermal electric power station (capacity 800 MW) was being constructed jointly by the socialist countries' organizations (V/O Technopromexport, USSR; Budimex, Poland and Transelectro, Hungary). Eight grain elevators (total capacity 380 thousand tons) and a mill (300 tons of grain a day) were under construction; three elevators were put into operation. House-building complexes in Kerman and Mashhed were being constructed; assistance continued on the setting up of 10 educational centres.

In *Turkey* work on the expansion of an iron-and-steel plant from 1.0 up to 2.2 million tons of steel per year in Iskenderun progressed. Deliveries of equipment for the Orhaneli thermal power station (capacity 210 MW) to be operated on lignites were started. Construction of a hydrogen peroxide factory in Bandirma, a petroleum refining factory in Aliaga (expansion from 5 to 10 million tons per year) and a sodium bichromate factory in Mersina continued. Turkey equally with the USSR constructed a dam and a reservoir on the border river Akhuryan (Arpachai). A new step in developing Soviet-Turkish cooperation was the signing in March, 1981 of an agreement on enlarging an aluminium factory in Sedişehir (the output of aluminium from 60 up to 120 thousand tons and that of alumina from 200 up to 260 thousand tons per year).

In *Syria* a 220 kW power transmission line (total length 572 kilometres) was under construction and the Tartous-Beniose-Latakia power transmission line (86 kilometres) was put into operation. Work on constructing the Damascus-Homs (208 kilometres), Mkhin-Palmyra (120 kilometres) and Aleppo-Homs (180 kilometres) railway lines continued. Assistance was rendered in expanding the Latakia port. Soviet organizations continued rendering assistance in oil production, in drilling exploratory and extraction wells and developing oil-fields. Last year, the oil production reached 9.5 million cu.m.; on July 24, 1981, the 100-millionth cu.m. of Syrian oil was produced. The petroleum industry created with the Soviet Union's assistance has in a short period of time (since 1968) become a highly economic sector. It provides about 50-60 per cent of export receipts. Among the highly remunerative enterprises is the Euphrates hydro-electric power station which generates about 65 per cent of the country's electric power. Construction of main canals and other projects of the irrigation system in the Meskene area (21 thousand hectares) and also a dam on the river Northern Kebir is being continued.

In the *People's Democratic Republic of Yemen*, Soviet organizations rendered assistance in constructing a thermal power station (capacity 50 MW) and a water distilling complex able to produce 28 thousand tons of distillate a day. All-round assistance is being rendered in agriculture and irrigation. The drilling and development of 130 wells for irrigating lands in Ahwar and Hadhramaut continues. The Ras-al-Wadi dam (last year it was put into operation) and the Beizadj dam with an irrigation system (total

length about 60 kilometres), as well as distributors from intake dams are under construction. Agricultural technical facilities, transport facilities and various other means for developing lands being irrigated from wells and dams are being supplied. A fishing port and a repair shop with a testing area are under construction in Aden. Exploration for oil- and gas-bearing deposits and for solid minerals is being conducted.

In *Kampuchea* a hospital for 500 patients with a polyclinic catering for 500 patients per day and a technical institute are being reconstructed; a vocational educational centre, a diesel electric power station and a National Bank are under construction. A state construction organization is being created. Assistance was rendered in establishing communication between the capital and its provincial centres, in equipping the sea port Kampong Saom and the river port Pnom-Penh and work-teams restoring and building bridges, roads and irrigation facilities, prophylactic-epidemiological stations and mobile medical groups. Work for restoring hevea plantations on an area up to 10 thousand hectares (on a compensation basis) has begun. An agreement on rendering assistance ot Kampuchea to resume its growing of cotton plants on an area of six thousand hectares was signed.

In *Pakistan* construction of an iron-and-steel works in Karachi (capacity 1.1 million tons of steel per year) continued. In August 1981, the first stage was put into operation which comprised: a heat and electric plant (capacity 110 MW), a blast furnace (615 thousand tons), a coke-oven battery (485 thousand tons), a sinter plant (750 thousand tons) and other projects. It is worth mentioning that this is the first time pig iron, coke and sinter were produced in Pakistan. This year a stell works with two converters (130 tons each) and two continuous billet casting mills as well as an "800" rolling mill supplied by Czechoslovakia, are to be put into operation. According to the estimates of the Pakistani side, the total currency saving may amount to 200-250 million dollars per year when the iron-and-steel plant reaches its rated capacity. The equipment for geological exploration for oil and gas were supplied.

In *Algeria* at the El Hadjar iron-and-steel plant (capacity 1.8-2 million tons of steel per year) all main workshops: blast furnace, coke oven and oxygen-converter workshops were put into operation.

Last year the plant produced 80 per cent of the steel, 100 per cent of the cast-iron, coke and hot rolled metal (wire) manufactured in the country. Geological exploration for solid minerals continued. Soviet specialists jointly with Algerian geologists fulfilled engineering work for developing the major oil and gas fields. Assistance was rendered in drilling water wells and technical control over the constructing of a number of dams carried out. Equipment for out-fitting the light industry institute in Boumerdes was supplied; 34 educational centres were opened.

In *Libya* the Tagiura atomic research centre was constructed. The Marsa-el-Brega-Misureta gas pipeline (length 570 kilometres) is under construction. Drilling work at the Sarir oil field continued. Soil and ecological researches were conducted on an area of 3.5 million hectares.

In *Angola* equipment for oil tank farms in the towns of Malange and Portu Amboin was delivered. Cooperation in agriculture, veterinary science and cattle vaccination continued. About 1.2 thousand hectares of irrigated lands were put under cultivation. Soviet specialists render assistance in organizing the work of cotton-growing state farms, in rearranging the topogeodetic services of the country, in operating the existing power projects, conducting geological explorations, etc. At the shipyard in Lobito reconstructed with the USSR's assistance, more than 150 ships were repaired and two new ones built. Angola received 10 small-tonnage fishing vessels. In January 1982 a Programme for Economic and Technical Cooperation between the USSR and the People's Republic of Angola for 1981-1985 and up to 1990 was signed. It determines the trends of cooperation in the decisive sectors of Angola's economy in accordance with the decisions of the 1st Extraordinary Congress of MPLA—Party of Labour, which was held in December 1980. It is envisaged, in particular, to assist Angola in constructing the Capanda hydro-electric power station (capacity 450 MW), a power line (length about 500 kilometres), in creating three cotton-growing state farms and a number of other projects.

In *Mozambique* a vocational technical school in the town of Nampula for training industrial instructors, an industrial vocational technical school in Teite and an agricultural vocational school in Bilibiza were opened. Geological explorations for coal and other minerals are being successfully conducted

and a general scheme for developing the Limpopo valley is being mapped. In Maputo port a complex for repairing fishing vessels is under construction. Here in November 1981 a floating dock and a repair shop were delivered. In May 1981 a Programme for Economic and Trade Cooperation between the USSR and the People's Republic of Mozambique for 1981-1990 was signed. This Programme envisages assistance in developing cotton growing (creation of state farms, drilling of water wells for supplying state farms, etc); in prospecting and recovery of coking coal, in geological prospecting and geological explorations for oil and gas in the country's promising regions; in developing the agricultural machinery industry (construction of the first stage of a farm implements factory and construction of a tractor assembly factory), etc. The cooperation in the fields of coking coal recovery and cotton growing is to be carried out on a compensation basis.

In *Egypt* a cement factory in El Tabbin, separate projects at the Helwan metallurgical complex and a coking by-product factory, the fourth and the fifth pump houses on the Nasr canal were put into operation. Construction of a refractory factory, a lime quarry and a press tool workshop at a forging factory is in hand. Soviet organizations continued rendering assistance in electrifying rural regions, in operating the Aswan High Dam and the interconnected power system of Egypt, expanding an aluminium factory in Nag-Hammâdi (from 100 up to 166 thousand tons per year), constructing a cement factory in Asyût, irrigating and developing 84 thousand hectares of desert lands in Western Nubariya. The complete volume of Egypt's production of aluminium, coke, cold-rolled plate, metal-cutting machine tools and forgings falls to the share of enterprises constructed with the USSR's assistance. The Aswan hydro-electric power station and the thermal electric plant in Suez generated 43.9 per cent of Egypt's power.

In cooperation with *Nigeria* the past year witnessed the beginning of extended construction of the first stage of a metallurgical complex in Ajaokuta (capacity 1.3 million tons of steel annually). Soviet geologists-consultants together with Nigerian specialists continued geological exploration for iron ore raw material and coking coals. A metallurgical education complex for 2,090 students comprising an educational centre and a technical school was being set up.

In *Ethiopia* work on reconstructing a petroleum refining factory in Assab began, oil tank farms are under construction as well as 26 grain storage elevators; a state building organization is being set up; equipment for developing gold deposits is being supplied and seismic prospecting for oil and gas was begun. The designing of two refrigeration plants, tractor and agricultural machinery repair shops and a cement factory is being carried out. Agreements on rendering assistance in opening three vocational technical schools, in constructing a plain earth dam on the river Alvero and an irrigation system for developing 10 thousand hectares of lands and in constructing the Melca Vacana thermal power station were signed.

The USSR cooperation with other countries of Africa is progressing. In *Madagascar* a medium-wave radio station in Antananarivo was put into operation last year and a flour mill complex in Tamatave is under construction. To *Guinea-Bissau* assistance was rendered in constructing diesel electric power stations in the towns of Katio and Bafata, in drilling water wells and conducting prospecting and explorations for local building materials. In *Tunisia* construction of a dam on the river Rezala and the Djoumine-Medjerda channel (length 38 kilometres) began and building of the dam on the river Djoumine commenced. Equipment for expanding Tunisia's national technical institute was supplied. In the *People's Republic of the Congo* the Yanga Kubenza ore mine is being opened at the polymetallic ore deposit, a maternity hospital in Brazzaville is being extended. In *Guinea* construction of a research centre in Conakry will soon be completed. In *Mali* a gold mining enterprise is under construction. In *Tanzania* a secondary technical educational establishment for training builders, mechanics and personnel in other trades is being set up in the town of Mbeya.

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SOVIET TRADE WITH SOCIALIST COUNTRIES OF INDOCHINA

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[Article by O. Vladimirsky]

[Text]

Recent years have been marked by the dynamic development and extension of trade and economic relations between the Soviet Union and the countries of Indochina which have embarked on the road of socialist development—the Socialist Republic of Vietnam, the Lao People's Democratic Republic and the People's Republic of Kampuchea. The accelerated growth of the USSR's trade with these countries was above all due to major political events which took place in Indochina between 1975 and 1979, such as the overthrow of the puppet regime in Saigon in April 1975, the state reunification of Vietnam and its formation as the Socialist Republic of Vietnam in July 1976, the emergence of the Lao People's Democratic Republic in December 1975 as a result of the collapse of the monarchy in Laos, the driving of the Pol Pot clique out of Kampuchea and the proclamation of the People's Republic of Kampuchea in January 1979.

Reunification of the northern and southern parts of Vietnam provided favourable conditions for expanding reciprocal deliveries of goods between the USSR and the SRV. The country with a higher export potential than the former Democratic Republic of Vietnam, demonstrated interest in the increasingly wider range of Soviet goods being marketed. Laos and Kampuchea after their re-birth encountered difficult economic and social problems but were able to rely on the support of the Soviet Union while rebuilding their countries on socialist foundations.

The USSR, true to the principles of proletarian internationalism and support for new national states, bases its economic relations with other countries on full equality and mutual assistance. The Soviet Government pays great attention to the development of trade relations with the countries of Indochina and the rendering of all-round material assistance to them. Goods de-

Trade Between the USSR and Vietnam

(mln rubles)

	1976	1977	1978	1979	1980	1981
Goods turnover	296.1	404.0	457.8	593.8	612.4	891.8
Exports	232.5	274.2	305.5	446.2	454.9	724.6
Imports	63.6	129.8	152.3	147.6	157.5	167.2

liveries from the USSR of machinery, equipment and transport facilities, raw and other industrial materials, foodstuffs and consumer goods are extremely important for meeting the economic needs of the countries of Indochina and satisfying their population's vital requirements.

In addition to the general principles, trade between the Soviet Union and the socialist countries of Indochina has similar export and import structures, similar price formation formula for costing the mutual deliveries and procedures for clearing accounts and so on. At the same time differences in the levels of economic development of the countries of the region and the nature of the economic tasks they are tackling at the present stage influence trade and other forms of economic cooperation between the USSR and these countries and in many respects determine the content and prospects of their economic ties.

Among the countries of Indochina in question the *Socialist Republic of Vietnam* maintains the most developed trade and economic relations with the Soviet Union. Soviet-Vietnamese trade has been conducted for over 25 years, since July 18, 1955. This trade was of very great importance for Vietnam, particularly during the period of rehabilitation and development of the country's economy after the victorious war of liberation from the French colonialists (1955-1960), the implementation of the five-year plan of 1961-1964 (the first one for the northern provinces), the struggle against the USA for the salvation of the country (1965-1972) and the repelling of China's aggression (1979), and the healing of the wounds inflicted on the country's economy by the US bombing in 1973-1975 and the construction of socialism in the reunified Vietnam which started in 1976.

In the previous five-year-plan period the goods turnover between the USSR and the SRV increased at fast rates: between 1977 and 1980 the annual growth rate averaged 24.3 per cent. In the same period the average annual growth of Soviet exports to Vietnam and imports from it reached 23.5 and 27 per cent respectively.

In these years Vietnam, as previously, received from the USSR power-generating, mining, lifting and conveying equipment, road-building and agricultural machinery, trucks, ferrous metals, chemical fertilizers, energy carriers and other industrial materials, and also foodstuffs and consumer goods. Soviet imports were of great importance for the implementation of the SRV Government's economic policy aimed at eliminating disproportions and maintaining the necessary level of the country's defence capability.

As in previous years almost two-thirds of Soviet exports to the SRV in 1976-1980 was accounted for by machinery and equipment. The share of oil and oil products in the overall Soviet exports to Vietnam in the previous five-year period amounted to 11.4 per cent and cotton fibre to about 9 per cent.

In the past five-year-plan period the SRV expanded its exports to the USSR of traditional goods—parquet frieze, coffee, tea, tropical fruit, ready-made clothes, handicraft articles, carpets, rugs, mats, and began exporting to the Soviet Union goods which were new to the reciprocal trade such as natural and man-made fibre yarn, black pepper, beer. Vietnamese goods are popular on the Soviet market and are of interest to certain sectors of Soviet industry.

Clothes and underwear (about 35 per cent), handicraft articles (13 per cent), carpets, rugs and mats (almost 12 per cent), and yarn (over 7 per cent) were the main Soviet imports from the SRV in 1976-1980.

Characteristic features of Soviet-Vietnamese trade and economic relations in the previous five-year period were not only the accelerated growth of the goods turnover and certain changes in

Exports of Particular Goods from the USSR to the SRV

(mln rubles)

	1976	1977	1978	1979	1980
TOTAL	232.5	274.2	305.5	446.2	454.9
Machinery, equipment and transport facilities	102.9	120.3	129.1	224.2	215.0
Oil and oil products	14.4	28.0	28.0	31.8	38.2
Ferrous metal rolled stock	8.4	11.0	8.3	16.5	14.5
Ammonium sulphate	2.2	4.2	2.8	4.6	4.3
Cotton fibre	16.8	18.9	20.3	31.0	23.5
Wheat and wheat flour	40.0	45.7	65.1	62.8	73.2
Cotton fabrics	7.0	0.1	—	0.1	6.9
Medicines	3.0	2.7	3.4	5.4	4.3

Soviet Imports of Particular Goods from the SRV

(mln rubles)

	1976	1977	1978	1979	1980
TOTAL	63.6	129.2	152.3	147.6	157.5
Parquet frieze	2.0	8.3	9.0	10.3	8.0
Natural and synthetic fibre yarn	—	12.3	15.6	9.8	10.6
Tea	2.6	3.9	4.0	2.5	4.9
Fruit and fresh berries	1.8*	1.3*	3.6	1.2	2.5
Carpets and rugs	1.0	5.7	6.9	6.9	13.4
Clothes and underwear	16.1	46.3	50.5	40.1	34.3
Handicraft articles	9.0	11.9	13.2	22.8	28.1
Mats, carpets and carpet articles made from palm and other plant fibres	6.3	9.1	11.3	8.0	7.7

* Only pineapples and bananas.

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the structure of reciprocal deliveries of goods, but also the appearance and development of new forms of mutually advantageous cooperation, for example, the processing of Soviet raw materials at Vietnamese enterprises and deliveries of products made from them to the USSR. In exchange for Soviet deliveries to the SRV of cotton, wool and medicine components the Soviet Union receives yarn, clothes, woollen carpets, sports footwear, and ready-made medicines from Vietnam. This form of cooperation enabled Vietnam to solve in a certain measure social and economic problems, use the available labour resources more rationally and increase export possibilities, and the Soviet Union to solve some production problems related to the shortage of labour in individual branches of industry. The above-mentioned deliveries of raw materials and finished products considerably contributed to the growth of the goods turnover between the USSR and the SRV in recent years.

The spheres of Soviet-Vietnamese cooperation in which the sides work with a new comprehensive approach also include the joint implementation by Soviet and Vietnamese foreign trade organizations of coordinated measures for the further improvement of the technical servicing of machinery, equipment and instruments delivered from the USSR to the SRV, establishment of a network of technical servicing stations, and repair of Soviet sea vessels at the ship repair yard in Ho Chi Minh.

Trade and economic relations between the USSR and the *Lao People's Democratic Republic* were established immediately after the formation of the LPDR in 1975. In 1980, Soviet-Laotian goods turnover reached 37.3 million rubles and increased 3.5 times as compared with 1976. In the previous five-ye .' period the Soviet Union delivered more than 106 million rubles' worth of goods to this country. Over 70 per cent of Soviet exports to Laos was

accounted for by machinery and equipment (road-building machines, motor vehicles, and aircraft). The USSR also exported fuel, ferrous metal rolled stock and other raw materials, canned products, fabrics and medicines. Soviet deliveries of goods to Laos helped the latter to overcome the age-old backwardness of its national economy. The deliveries of Soviet transportation facilities were especially important for the LPDR as it has no railway system and the freight is mainly transported by road.

In its turn Laos in the last few years exerted efforts to develop its exports. However, the difficulties of a general economic nature have not yet been surmounted for the LPDR to sufficiently master production and arrange deliveries of export goods in more or less considerable quantities. In 1976-1980 Laos accomplished only single deliveries of goods to the USSR.

After the overthrow in Phnompenh of the Pol Pot-Ieng Sari clique, trade and economic relations between the USSR and the *People's Republic of Kampuchea*[1] were resumed in 1979. Displaying sincere concern for easing the situation in the PRK which had encountered grave economic and social problems the Soviet Union immediately began to render assistance to People's Kampuchea with deliveries of goods without compensation. In 1979 and 1980 the USSR delivered to the PRK various goods to a sum of over 113 million rubles, including 120,000 tons of rice, 80,000 tons of corn, 30,000 tons of wheat, 20,000 tons of wheat flour, 173,000 tons of oil products, 12,100,000 metres of fabrics, over 5 million rubles' worth of kitchen and tableware, 1.5 million rubles' worth of medicines, 650 trucks and 200 tractors. This assistance helped eliminate the threat of starvation in the PRK. It helped normalize the life of the people and rehabilitate the country's national economy.

Along with the rendering of assistance to the PRK without compensation, reciprocal deliveries of goods began in 1980 on clearing and credit terms. In spite of economic difficulties Kampuchea delivered its first consignments of goods to the Soviet Union.

The short-term prospects of trade and economic relations between the USSR and the socialist countries of Indochina are in many respects determined by the agreements on goods turnover and payments for 1981-1985 signed between the USSR and the SRV (July 30, 1981), between the USSR and the LPDR (December 1, 1980), and agreements existing between the USSR and the PRK. These agreements are aimed at increasing the volumes of reciprocal deliveries of goods in the current five-year-plan period as compared with 1976-1980 between the USSR and the SRV—by 90 per cent and between the USSR and the LPDR—2.8 times. Soviet-Kampuchean trade will also expand.

As before, Soviet economic and technical assistance rendered in

[1] Until 1974 the Soviet Union maintained trade relations with the Kingdom of Cambodia. Their trade turnover reached its peak of 7.5 million rubles in 1962, i.e. 2 million rubles' worth of exports to Cambodia and 5.5 million rubles' worth of Soviet imports from that country.

the construction of projects in the key branches of the national economies and projects in cultural and social spheres will be of very great importance for the socialist countries of Indochina.

In accordance with the agreements signed in 1981-1985 the Soviet Union will help the countries of Indochina continue the construction of a considerable number of industrial enterprises, state farms, health service establishments and educational institutions. These will include such projects as the Phu Ly thermal power station (capacity of 640,000 kW), The Binh Son cement works (capacity of 1.2 million tons a year) whose first stage was commissioned at the beginning of this year, the power engineering facilities on the Black River (capacity of 1,920,000 kW) in the SRV, Road No. 9 linking Laos with the Vietnamese sea port Da Nang, the tin extracting enterprise in the LPDR, a hospital for 500 patients with a clinic for 500 out-patients a day, the ports of Kâmpóng Saom and Pnom Penh in the PRK, and others. Recently space communication ground stations, part of the Intersputnik system, have been commissioned in Vietnam and Laos.

Broadly speaking the prospects of the SRV's economic development depend in many respects on the success of the joint Soviet-Vietnamese enterprise carrying out geological prospecting and extraction of oil and gas on the continental shelf of Southern Vietnam.

The Soviet Union rendered technical assistance in the construction of 288 projects in the SRV, 43 projects in the LPDR, and is carrying out work on 40 projects in the PRK.

The range of questions connected with the further development of the Soviet Union's economic cooperation with the countries of Indochina was considered in detail in September 1981, during the meetings between Leonid Brezhnev, General Secretary of the CPSU Central Committee, Chairman of the Presidium of the USSR Supreme Soviet and Le Duan, General Secretary of the Central Committee of the Communist Party of Vietnam, Kaysone Phomvihane, General Secretary of the Central Committee of the People's Revolutionary Party of Laos, and leaders of the People's Revolutionary Party of Kampuchea. At these meetings, which gave a fresh impetus to the development of bilateral cooperation with the countries of the region, it was pointed out that "Soviet-Vietnamese relations are developing dynamically both qualitatively and quantitatively," that "the relations of fraternal friendship and cooperation between the USSR and the LPDR are successfully developing", and the party and the government of the PRK expressed their gratitude to the CPSU Central Committee, the government and the people of the Soviet Union "for the all-round fraternal assistance rendered to People's Kampuchea in vari fields."[2]

[2] *Pravda*, September 8, 10 and 15, 1981.

The successful realization of the bilateral long-term agreements signed between the USSR and the socialist countries of Indochina and the accords reached during the September summit meetings last year will mainly depend on how the interested trading organizations solve the present problems peculiar to the trade relations between the Soviet Union and this group of countries.

Among such problems there may be singled out: timely deliveries and reception of foreign trade freight, further improvement of the efficiency of the use and the prolongation of the service life in the countries of Indochina of Soviet equipment, continuation of the attained level of the volumes of mutually advantageous cooperation in processing Soviet raw materials and the manufacture of products from them and the application of such similar cooperation in new fields.

The dynamic growth of reciprocal deliveries of goods between the USSR and the socialist countries of Indochina planned for 1981-1985 demands from all industrial, transport and foreign trade organizations of the sides, at present and later, a great amount of work to ensure the deliveries of the planned exports their storage and trasportation to the respective sea ports, the deliveries of export goods in the time stipulated in contracts and the unloading of goods at the ports of destination in the least time possible. Of special importance in the range of these questions is the transportation of exports freight and the loading and unloading of goods in accordance with the plans elaborated annually by the transport organizations of these countries. The importance of harmonious work of the respective organizations of the sides for deliveries of goods between the USSR and the LPDR cannot be overrated (Laos does not have its own ports and transports its export and import goods through the territories of the neighbouring fraternal countries). The need to improve container packaging and use containers capable of withstanding long transportation by sea and frequent transfer is vital.

Raising the effectiveness and extending the service life of Soviet equipment delivered to the countries of Indochina can be accomplished by assuring the correct and rational application of the equipment and spares, implementation of the measures already worked out for establishing a network of technical servicing stations, improve the supplies of spares to enterprises using Soviet equipment and increase the amount of training given by Soviet specialists to national personnel locally.

The processing of Soviet raw materials and the deliveries to the USSR of the products made from them (mainly in the SRV) by the existing and possibly some new branches of industry in the countries of Indochina seems for the time being to be the most realistic way of expanding the exports from these countries and a way which brings relatively rapid results.

Of unquestionable interest for the Soviet Union and the socialist countries of Indochina, whose export resources are limited for

the time being, is also mutually advantageous cooperation with the USSR in developing the output of products in great demand on the world market such as coal, natural rubber, coffee, tea, tropical fruit and vegetables, and timber of precious species of trees. First steps on establishing such bilateral cooperation on a compensation basis were made in the previous five-year period. Naturally, the benefits from this will accrue in the future.

The build-up of the export potential of the socialist countries of Indochina, the development in these countries of such branches of the economy as mechanical engineering, the chemical, light and food industries, prospecting and exploitation of oil deposits on the continental shelf in Southern Vietnam, and the accomplishment of economic tasks in the region along with others, as well as Soviet assistance, will contribute to the expansion of trade between the Soviet Union and the SRV, the LPDR and the PRK on a mutually advantageous basis.

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DIRECTOR OF MASHINOEKPORT REVIEWS ACTIVITIES

Moscow FOREIGN TRADE in English No 5, May 82 pp 27-32

[Article by Vsevolod Vorontsov, General Director of the All-Union Association Machinoexport]

[Text]

This year Machinoexport is marking the 30th anniversary of its commercial activity. The years that passed were monuments to the active efforts of putting the foreign economic policy of the Soviet Union into effect and aimed at active participation in the international division of labour, fuller utilization of the possibilities of the economy, science and technology of the Soviet Union for further expanding its trade, economic, scientific and technical relations with other countries, primarily the CMEA member-countries, and at rendering economic and technical assistance to the developing countries in strengthening their national economy as well as developing trade relations with the capitalist countries.

The 26th CPSU Congress has outlined the Guidelines for the Economic and Social Development of the USSR for 1981-1985 and the Period Ending in 1990 including the branches whose products are supplied to the international market by Machinoexport.

The rapid growth rates of the USSR machine-building industry were manifested by the increase of the export volumes of oil drilling, earth-moving, lifting-and-conveying, metallurgical, building and mining equipment included in Machinoexport's list.

In the 30 years of its commercial activity the Association's general goods exports have increased more than nine times, the export of lifting-and-conveying equipment—more than 12 times, mining equipment—24 times and excavators—20 times.

The Association's average annual export growth rates for the last decade have amounted to 9.3 per cent. The export for the Tenth Five-Year-Plan Period (1976-1980) has almost doubled that of the Ninth Five-Year-Plan Period (1971-1975). The geography of deliveries has expanded from 17 countries in 1952 up to 74 during the 30 years. Machinery and equipment exported by Machinoexport operate under various climatic conditions in five continents.

The results achieved by the Association in the thirty years of its activity would be impossible without the fruitful operation of Soviet industry, project institutes, design bureaus, workers and engineering and technical staff of the country. About 50 industrial enterprises of the Soviet Union produce the technological equipment exported by the Association. Among them are such industrial enterprises and institutes as: Uralmash, Rudgormash, the All-Union research and project design institute of the metallurgical machine-building industry (VNIIMETMASH), awarded the order of Lenin, and the All-Union research institute of construction and road machine-building industry (VNIIStrojdormash).

With the rearrangement of Machinoexport into the All-Union self-supporting foreign trade association ties with branch ministries were strengthened. Representatives from the ministries of ferrous metallurgy, construction, road and the public service machine-building industry as well as the heavy, transport, chemical and oil machine-building industries were included in Machinoexport's Board and now jointly with the Association solve the problems dealing with the extension of the list of export goods, the increase of the equipment's competitiveness, improvement of maintenance and other problems.

The Association's major trade partners are the socialist countries' foreign trade organizations. The largest of them are: Nikex and Mogürt (Hungary), Takraft Export-Import, Baukema Export-Import and Scet Export-Import (GDR), Construimport and Technoimport (Republic of Cuba), Tecnnoexport and Mineralimpex (Bulgaria), Bumar, Centrozap and Kopex (Poland), Mecanoexport-import and Industrial-exportimport (Romania), and Skodaexport and Strojexport (Czechoslovakia). The average annual export increase rates to the socialist countries have reached 10 per cent in 1971-1981. For the last five years the Association's export to Czechoslovakia has more than doubled, that to Vietnam and

Romania has increased 1.5 times, to Hungary and Bulgaria 1.3 times and the GDR 1.2 times.

Realization of the Comprehensive Programme for socialist economic integration is an important trend in Machinoexport's activity. The Association participates in 22 agreements on specialization and cooperation in production, which cover almost all the range of its goods. The share of specialized products in the Association's general exports to the CMEA member-countries was 30 per cent in 1981. Many largest enterprises of the CMEA member-countries' leading industries are outfitted with Soviet equipment.

Thus, for example, Czechoslovakia was supplied with equipment for a blast furnace (volume 2,400 m^3), oxygen converters (capacity 160 tons) and machines for continuous casting of curvilinear shapes with an output of 660 thousand tons of slabs per year.

The assemblies for aluminium strip 1,600 mm in width continuous casting and assemblies for producing copper wire rods successfully operate at the Mansfeld complex, bearing the name of W. Pieck in the GDR.

A Soviet reduction mill 450/330 for rolling 33.5-127 mm diameter tubes operates at the iron and steel plant in the town of Jasi in Romania. Its capacity is 140 thousand tons of tubes annually. The Romanian foreign trade association Metarom has purchased equipment for a cogging mill 950/850/850 including seven sets of 2,000/2,500 rough cutting saws.

The Association has supplied escalators for the Budapest underground railway.

In Poland more than 1,000 Soviet trench excavators are used for land reclamation work.

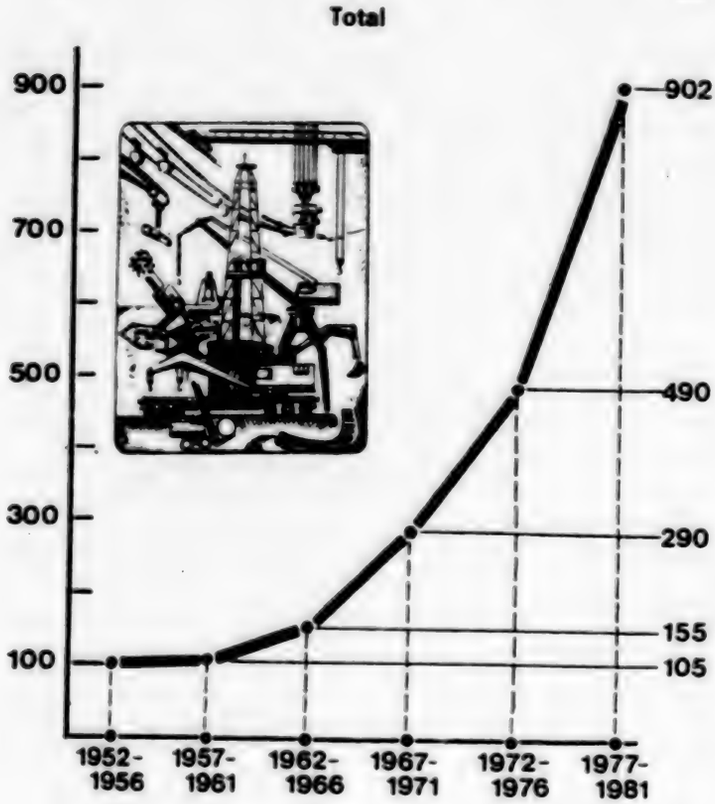
We can cite many similar examples.

Machinoexport participates in realizing the plans of the CMEA member-countries' integration measures. The Association has supplied equipment for constructing the Soyuz main gas pipeline. A contract for delivering a large lot of ore crushing balls for the Erdenet mining and ore-dressing complex in Mongolia has been signed. Spare parts for the equipment of nickel-producing factories are being delivered to Cuba.

The Association imports and exports completing sets for hydraulic cranes mounted on special chassis manufactured in accordance with an agree-

Dynamics of Goods Export Growth

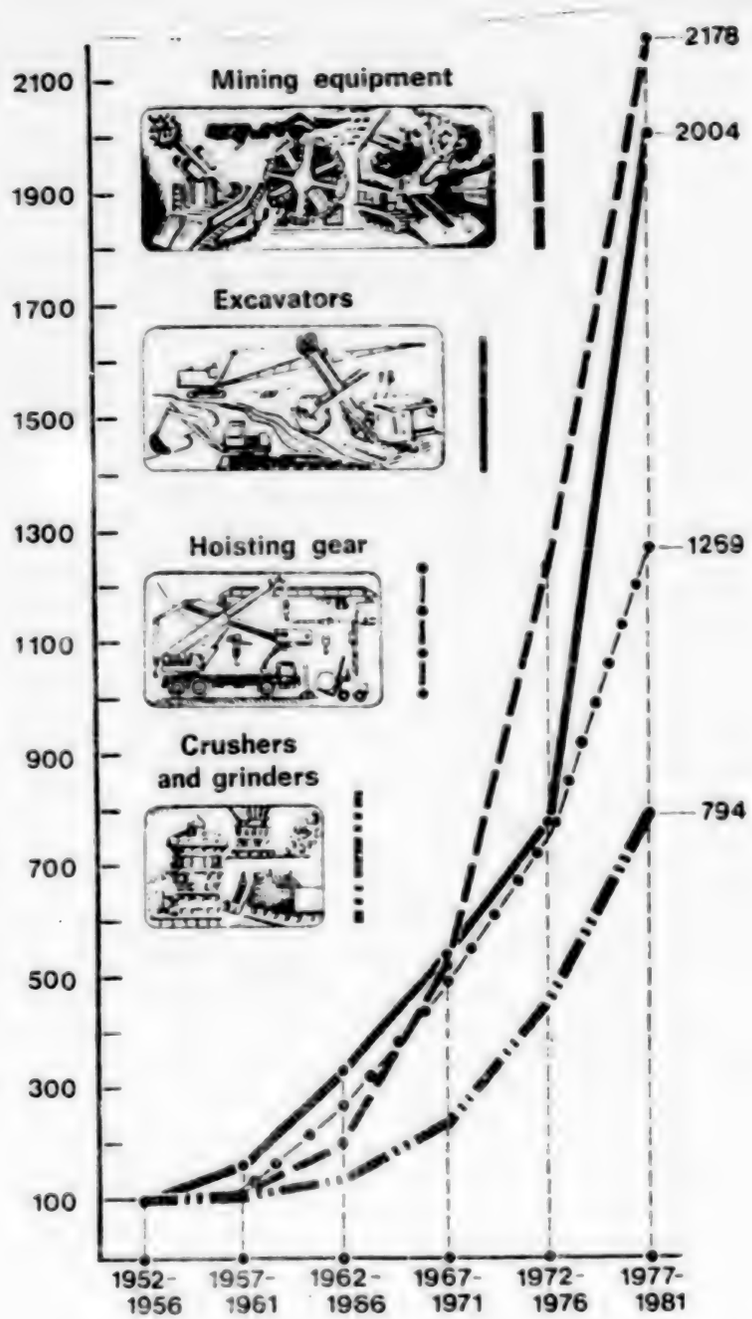
(per cent)



ment signed between Poland's Ministry of Engineering Industry and the USSR Ministry for Construction, Road-Building and Municipal Services. The Association deals with similar activity according to the agreement concluded between the USSR Ministry for Construction, Road Building and Municipal Services and the Hungary's Ministry of Metallurgy and Machine Industry on the manufacturing of high-pressure installations for vacuum-varnishing. These goods are sold in the cooperating countries and in third countries.

Machinoexport participates in realizing the CMEA member-countries' long-term specific programmes of cooperation, in specialization and cooperation in production of mining equipment; equipment for storage and materials-handling mechanization, equipment for solid fuels, ferrous and non-ferrous metal ores, mining and chemical raw material dressing; equipment for ore and non-ore minerals open-cast mining, etc.

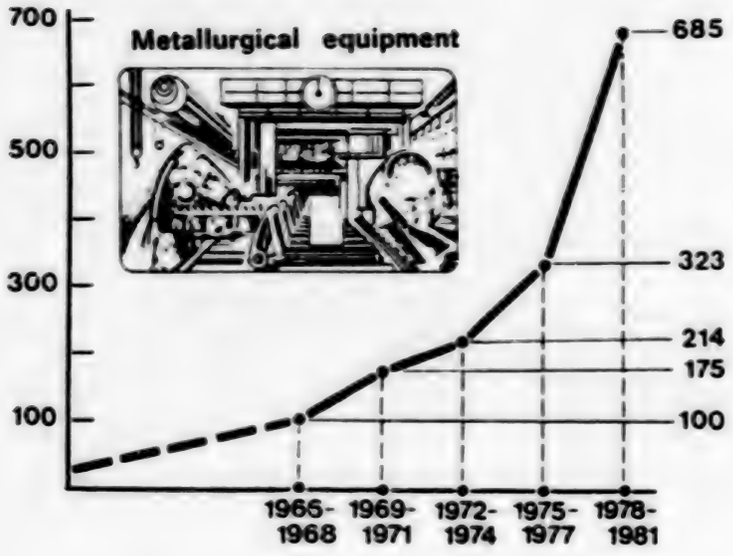
In the thirty years of its commercial activity Machinoexport has cooperated with firms and organizations in 44 developing countries.



Soviet technological equipment supplied by Machinoexport has helped many developing countries to take their first steps towards creating national industries.

Thus, the Association delivered drilling installations for exploration of oil fields to India as long ago as 1957. This laid a foundation for the activity of the Indian Oil and Natural Gas Commission.

Machinoexport took an active part in deliveries of equipment for constructing the firstling of the Indian national iron and steel industry—the Bhilai steel plant.



Machinoexport was the first foreign organization with which the Iraq National Oil Company signed an agreement on deliveries of oil drilling and geophysical equipment. Thanks to this agreement the company started to produce oil in the country's state industrial sector. Deliveries of Soviet excavators for irrigation work were of equal importance for Iraq's national economy. In 1968-1972 alone Iraq's Ministry of Agriculture and Agrarian Reform was supplied with 1,000 dragline excavators (type E-652) which are still working on canal construction and other projects.

Machinoexport has delivered tanks for oil and petroleum products storage (general capacity 1.5 million of cubic metres) to Syria. All this equipment was erected by Soviet specialists.

Various Soviet equipment for the oil industry has been operating for more than 20 years in Argentina. Soviet cranes and excavators, rolling equipment and tunnelling machines also operate there. A contract for deliveries of cold pipe rolling mills for the National Atomic Energy Commission was signed.

Machinoexport's traditional trade partners are Turkish state organizations and private firms. They purchase excavators, tunnelling machines and lifting equipment (cranes).

Machinoexport has strong business relations with firms and organizations in the advanced capitalist countries. Among them are: Great Britain, Australia, Greece, West Berlin, Spain, Italy, Norway, France, the FRG, Finland, Sweden, and Japan. The average annual increase rates of export to these countries amounted to 15.5 per cent in the last decade.

In Finland a duplex belt foundry machine (capacity 160 tons per hour) has been successfully operating at the joint-stock OY OVAKO foundry since 1970. A semi-continuous roughing mill, type 650/300, for rolling square billets and also round and hexahedral profiles has proved its reliability in operation at this firm. OVAKO, owing to this mill, produces 150 thousand tons of finished products annually. Finnish enterprises willingly import Soviet rolls and foundry equipment.

Over the last five years more than 100 crushers and grinders have been sold to Finland through the Koneisto trading company.

The firm Rautaruukki uses Soviet large gyratory cone crushers at a vanadium mine in Mustavaara, one of the largest in Europe. Jointly with the firm Kone large gyratory cone crushers have been sold to Sweden and the Philippines.

The Association's cooperation with the Finnish State Fuel Centre (VAPO) is progressing successfully. At present more than one thousand units of Soviet various-purpose peat extraction equipment supplied by Machinoexport are operating in Finland's peat deposits. This constitutes 90 per cent of the total Finnish peat machine fleet. The Association signed a long-term contract with VAPO for delivering various peat-extraction equipment to Finland during 1981-1984.

Machinoexport actively participates in the Soviet-Finnish branch sub-group dealing with earth-moving, lifting-and-conveying and construction equipment. Thus, talks on cooperation in production of passenger lifts are being carried out with the firm Kone. At the international exhibition "Lift Engineering-80" held in Moscow the sides demonstrated a jointly constructed exhibit—a lift of 500-kilogramme load capacity.

An agreement on the joint development, cooperated production and sale of highly mechanized and automated drilling installations with pneumatic and hydraulic gun perforators has been signed

with the firm Tampella-Tamrock. Drilling installations mounted on Soviet-made chassis have been already constructed and successfully passed tests in Finland.

Oil tanks, portal cranes, rolls and rock crushers supplied by Machinoexport operate in Italy.

Electric loaders have a stable demand on the Italian market. Today thousands of Soviet electric loaders operate in Italy. Contracts for delivering equipment for blast furnaces, rolls and ingot moulds, have been concluded with the firms Italimpianti, Italsidor and Falk.

Machinoexport has established good business relations with French firms. The Association has taken part in deliveries of blast-furnace and steel-making equipment for the Solmer iron-and-steel works, which traditionally purchases Soviet ingot moulds and bottom plates. Cold pipe-rolling mills producing especially thin wall tubes from alloy steel operate at the firms: Vallure, Taltube, Aviatube and Ugine Aciers. Soviet oil tanks are being utilized in the region of the town Honfleur. Several hundreds of Soviet pneumatic drifts for the trenchless pipelaying of underground communications, more than 500 dragline excavators and cranes are in use in France.

Japan's firms show constant interest in Soviet equipment. Thus, cold tube-rolling mills operate at the Kobe Steel firm. An installation for castings of any complex configuration electrohydraulic cleaning from cores and moulding sand is being operated at the Mitsubishi Motors factory. The firm Nippon Steel has purchased a rotor hot saw type 2,500, which now works in the large diameter seamless pipes production line. In 1981 the Nippon Steel firm purchased another saw of the same type.

Soviet slag cars and pig iron-casting machines have obtained a good reputation in Sweden. They operate in the factories of the concern Norrbottens Järnverk AB and the firm Surakhammars Bruks. The Swedish firm Fagersta positively estimates the operation of the supplied mill for producing balls of 25 to 50 mm diameter. Soviet ball-rolling mills using the screw thread rolling method ensure a tenfold reduction of labour consumption, 20 per cent of metal saving and 100 per cent faultless production.

Apart from Sweden Machinoexport has delivered ball-rolling mills to England, Brazil and the FRG.

Summing up the results of the Association's thirty-year activity one cannot help mentioning the work done by the agents and intermediary firms as well as joint-stock companies for developing export of Soviet machines and equipment. Machinoexport's cooperation is expanding fruitfully with the firms: Tecma and Heine Brothers (Australia), Matimport (Argentina), Chemimétal (Belgium), Speka (Greece), Khemca and Co Ltd. (India), Sytco Utenberg and OMI (Italy), J. Essig (West Berlin), Interservis and Rapid (Yugoslavia), Usiba (France), Okutsan (Turkey), Koneisto (Finland) and many others.

The organization of servicing and maintenance of the supplied equipment is one of the main trends of the Association's activity. In the socialist countries this is carried out by the importers on a contract basis with Machinoexport which covers all the elements of maintenance from pre-sale services and to maintenance after the guarantee period.

A programme for setting up technical centres for promoting maintenance is being implemented in the CMEA member-countries to improve servicing, enhance the level of pre-sale training as well as operation and repair of exported equipment. These centres, equipped with all the necessary facilities for the theoretical and practical training of personnel employed in the servicing, repair and operating organizations, have become an important mechanism in the system of training organized for the CMEA member-countries' national technical staff. The Association's technical centres successfully function in Bulgaria and Czechoslovakia.

In the capitalist countries maintenance is realized through agent and intermediary firms and joint-stock companies with the participation of Mashpriborintorg. They have all necessary technical facilities at their disposal for this purpose.

At the request of its customers the Association sends Soviet specialists to ensure qualitative assembly, adjustment of equipment and putting it into operation in the customer's country as well as for training local personnel and consultation purposes. In 1981 alone more than 3,000 specialists were trained in the importer countries.

Under separate contracts Machinoexport receives foreign specialists in the USSR where they study according to the agreed programmes in specialized educational centres, at factories, also at repair, construction and other organizations of the

Soviet Union. Every year about 200 foreign specialists raise their qualification in the Soviet Union through the Association.

Machinoexport regularly participates in fairs and exhibitions held in various countries and organizes specialized exhibitions. Every year specimens of our export goods are demonstrated in 35-40 countries. During the exhibitions meetings with specialists are organized, reports on new equipment are delivered, films demonstrating equipment in operation are shown, brochures are distributed, and each country's demands for particular equipment studied.

In (1981-1985) Machinoexports' export programme will include new highly effective machinery and equipment. The Association will be able to offer for export:

the BU-5,000 DGU installations for drilling oil and gas boreholes to depths down to 5,000 metres;

the D-54 and D-85 screw face motors for drilling cement bridges, sand locks and salt deposits in casing strings with cone drill bits in the course of the overhaul of oil and gas wells. These motors allow drilling of inclined boreholes and second boreholes in working levels;

double-strand cold tube rolling mills 2 KhTPR 6-15, which as compared to single-strand ones increase the finished product volume 1.7 times with the same workpiece area;

ball-rolling mills "40-80", capacity 10 tons of balls per hour;

automatic lines for producing cores, weight up to 100 kilogrammes, by hydromechanic pressing method (eclair-process);

the OKP-70 mechanized complexes designed for working faces of length up to 150 metres and height up to 3.5 metres; the productivity of these complexes is 25-30 per cent greater than that of other types existing.

Machinoexport, while expanding the export of machinery and equipment, will, in the interests of strengthening peace and cooperation among peoples, further strive to develop mutually beneficial trade and economic relations.

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SWISS PAPER DISCUSSES SOVIET DEBT, GOLD SALES

Zurich NEUE ZUERCHER ZEITUNG in German 17 Jul 82 pp 9-10

[Article by Ld.: "Conversation with Ivan Ivanov, deputy director of the World Economics and International Relations Institute (of the USSR Academy of Sciences), Moscow: 'Gloomy East Trade Prospects'"]

> [Text] Within the framework of a discussion which had been organized by the Institute for Economics and Social Policies e.V. [registered association], Bonn, Prof Ivan Ivanov, deputy director of the World Economics Institute (of the USSR Academy of Sciences), Moscow, painted a rather pessimistic picture of the trade prospects between the Soviet Union and the Western states. The reasons for Ivanov's opinion are primarily of an economic nature, although--naturally--the Soviet expert conceded that the economic relations are always subject to and influenced by political tensions as well. Where are the economic obstructions?

Interest Rates Too High

The indebtedness of the Soviet Union toward the West is not dramatic but it is substantial. Apparently the Soviet Union is now considering a reduction of the mountain of debts during the coming years within the framework of availabilities of Western currencies. Ivanov expects that the relatively high interest rates on Western money markets will predominate until the middle of the 1980's. The Soviet Union considers the level of interest rates too right, which is the reason why credit financing of large-scale imports, as has been the case to date, is now out of the question. Of course, this attitude of Soviet foreign trade politicians may also have been influenced by the revised assessment of the East Europe risk by Western creditors. After effects of the shocks in Poland?

Subsequently Ivanov made it clear that the exchange-rate fluctuations of Western foreign-exchange markets--in the judgment of East European planners the result of a "chaotic" monetary system--is also a cause of much frustration for Soviet planners. Last but not least, it also applies to the management of foreign-exchange reserves. To avoid being exposed extensively to

the obscure manipulations of Western foreign exchange speculators, Soviet foreign-exchange authorities have decided to lower foreign-exchange holdings to the "technically necessary minimum." Ivanov, however, did not want to disclose what that means in concrete terms. When taking a look at the Soviet gold and raw material transactions of the past few months, the assumption is probably not totally inaccurate that the Soviet foreign-exchange situation is already under considerable strain anyway.

Precarious Foreign-Exchange Planning

This conclusion was also implied in Ivanov's presentations, because he admitted openly that the planners had been wrong when estimating medium- and long-range foreign-exchange proceeds, and one of the main reasons is certainly the fact that during the first few years of the current decade substantially higher prices had been expected for petroleum and gold. According to Ivanov, gold production in the Soviet Union takes place independently of the price of gold. Gold sales on Western markets, on the other hand, are exclusively oriented toward the balance of payments. As a consequence of the low gold prices, however, gold reserves are left untouched as much as possible, in other words, the gold reserve is only tapped to finance particularly urgent imports.

The result of this policy is also a restrictive foreign-trade factor. Soviet experts expect that the low level of gold prices will continue until the second half of the 1980's. In their judgment, a change will not occur until industrial demand for gold begins to dominate the market. Only against this background one can understand the interest of the Soviet Union in the foreign-exchange proceeds which will some day flow from the natural-gas pipeline deal with the FRG. The champagne bottles that were opened in Leningrad during the signing of the credit agreement for this business deal--FRG television was there--symbolizes the joy over the possibility of being able to overcome supply bottlenecks without regard to the armament industry. It reflects, according to a statement by the FRANKFURTER ALLGEMEINE, the ideologically tinged perspective. "Whoever is interested in business, does not think of it. Whoever has to represent political interests, (however,) should not lose sight of this tactic."

The Soviet Union is right now in a phase of transition from extensive to intensive growth. In the foreground is the goal of a qualitative improvement of the industrial production program. And it is done also with the intention of strengthening the competitive position on Western markets and, in the process, simultaneously taking the main source of producing Western foreign exchange and making it more efficient. At the present time the share is very high of raw materials as a proportion of exports to the West. The Soviet strategy is aimed at increasing raw material processing in the Soviet Union itself, in other words, the share of raw materials as a proportion of total exports is to be replaced successively through high-quality semifinished and finished products. Ivanov is aware of the fact that a lot of ground is still to be covered until this goal will be achieved.

Marginal Reforms

One element of this strategy is the idea of careful reforms that promise only marginal changes in the structure of decisions which, as a matter of principle, are highly centralized. The incentives structure for innovations is to be improved by raising the premium system "substantially." And in the foreign-trade system the competencies of foreign-trade companies are to be expanded; of course, it is only to affect an improvement in the negotiation opportunities of these companies with Western partners. The allocation of foreign exchange and thus the establishment of import segments and goods categories is still handled centrally. In other words, the "decentralization" cannot touch the allocation in the import area. Subsequently foreign-trade relations are to be placed on a broader basis by favoring contacts with Western small and medium-size enterprises.

Because also in the future the Soviet Union will have to take into consideration the condition of scarce foreign-exchange reserves, it is forced to plan very carefully when establishing import priorities. It will concentrate to an even greater degree than has been the case to date on the acquisition of technologically superior goods. On the other hand, in Ivanov's opinion there is an intention to balance the domestic demand with the supply of consumer goods more efficiently within the framework of existing price structures. According to Ivanov, price increases are a form of "theft," which is the apparent reason why the existing, socialistically motivated price system cannot be touched. The prices have no allocation function, but they are targets; consequently the only thing left to do is matching production with the existing demand at these prices. It still reflects the thinking of an orthodox planned economy to which, according to Ivanov, Soviet economic strategists have become "accustomed" and which (for the time being?) they do not want to change. The statement: "There is nothing new in the East" is certainly justified in view of this conservative fundamental attitude.

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BRIEFS

GDR MACHINE TOOL DELIVERIES--Under a contract with Machino-import the Liebherr machine tool plant will deliver movable cranes with 50-80 megapond capacity to the USSR, with the contract valued at 120 million rubles. Technoproimport has ordered spare parts and assemblies for bulk carriers used in the cement industry from the Carl Schenk machine tool factory, with delivery set in 1982/83, and the contract valued at over a million rubles. The same firm will this year deliver bulk carriers valued at 1.7 million rubles under a previous contract. [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 6 May 82 p 8] 9240

SOVIET CHEMICALS TO FINLAND--The Finnish Mercantile firm has ordered 80,000 tons of calcinated soda, 1,000 tons of bicarbonate of soda, 100 tons of chronic anhydride, 150 tons of ammonium chloride, 200 tons of acetic anhydride, 200 tons of acidic acid, and 1,500 tons of carbon disulfide from the Moscow Soyuzchimeksport center with delivery set for 1982/83. The Finnish Kemira firm ordered 200,000 tons of ammonia for this year. [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 6 May 82 p 8] 9240

FRENCH SYMPOSIUM ON SEABED FUELS--The French firm Comex Service held a symposium in Moscow about "The latest techniques for exploitation of oil and gas deposits in the sea." The firm is discussing possibilities for cooperation with the Institute of Oceanology of the USSR Academy of Sciences in the area of maritime research at great depths by means of manned apparatus. [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 20 May 82 p 9] 9240

MEXICAN SYMPOSIUM ON FUEL PROCESSING--The Mexican oil and gas company Petex held a symposium in Moscow regarding the experiences made by Mexican state firms in the area of exploration, exploitation, and processing of oil and gas. The possibilities for mutual scientific-technical contacts in these fields were discussed. [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 20 May 82 p 9] 9240

GDR MACHINE TOOL AGREEMENT--The West German Montanwerke Walter GmbH machine tool firm held a symposium in Moscow and later in Togliatti about milling with tools made of hard alloys, as well as about processes to sharpen tools of various descriptions. Five such machine tools were demonstrated in Moscow. In 1981 the firm delivered 12 digitally directed machine tools to the USSR. According to a preliminary agreement made in 1981 the Walter GmbH will establish industrial cooperation with a Byelorussian machine tool factory in Vitebsk in the area of grinding machines. [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 20 May 82 p 9] 9240

FRENCH AUTOMOBILE TECHNOLOGY--The French Valeo firm held a symposium in Moscow about production technology as well as experiences gained in the introduction of double disc brakes in the truck and tractor industry. The aim was to interest the Soviet side in the latest developments of braking and transmission systems for heavy trucks and tractors. Based on the information and the know-how of the firm the production of nonwelded radiators will commence in 1983 in the Togliatti automobile plant. As early as the 1960's the Moscow Avtopromimport center had obtained a license from Valeo governing production of passenger car transmission, which is currently in use in Togliatti. [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 20 May 82 p 9] 9240

FRENCH TEXTILE NETS--The French Chavanoz-Industrie firm held a symposium in Moscow about the use of textile nets in construction. Recently the firm has delivered fiberglass mats valued at 10 million francs to the USSR. [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 20 May 82 p 9] 9240

GDR METERING TECHNIQUES--The West German Brabender Technology firm held in Moscow a symposium regarding question of metering clumsy materials according to volumetric and gravimetric processes. [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 20 May 82 p 9] 9240

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